

Plan News was updated on March 1, 2007.

Required withdrawals — If you are age 70½ or older and you separated from Federal service on or before December 31, 2006, you must begin withdrawing your TSP account by April 1, 2007. This month, if you did not begin your withdrawal prior to March 1, 2007 — or if you did not withdraw enough money to meet your IRS required minimum distribution for 2006 — the TSP will automatically send you any amount of the required distribution that you have not already received.

IRS Form 1099-R — The TSP has mailed IRS Form 1099-R to participants who received withdrawals or other taxable distributions during 2006. These forms are also available on line. If you have not received your form, you can print out a copy from Account Access <<http://www.tsp.gov/account/index.html>> or you can call the ThriftLine at 1-TSP-YOU-FRST (1-877-968-3778) and press option 3 to speak to a participant service representative. (Callers outside the United States and Canada should use 404-233-4400 (not toll free).)

TSP is tax-deferred — When you prepare your 2006 tax return, remember that your taxable wages reported on your W-2 form will be different from your annual salary. Your contributions to the TSP are tax-deferred and are not considered part of your income for Federal income tax purposes. Paying less tax on your current income is just one of the benefits of the TSP.

Tax credit — If you participated in the TSP during tax year 2006, you may be eligible for the Retirement Savings Contributions Credit, which is available to participants with an adjusted gross income of no more than \$50,000 if married filing jointly, \$37,500 if head of household, or \$25,000 if single or married filing separately. For information, consult your tax advisor or refer to IRS Form 8880.

Pension Protection Act of 2006 — Some provisions of the Pension Protection Act of 2006 will benefit TSP participants. For details, see the January 2007 TSP Highlights <<http://www.tsp.gov/forms/index-highlights.html>>